



STATE BOARD OF EQUALIZATION  
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No. 2001/101

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 581  
EQUIPMENT INDEX AND PERCENT GOOD FACTORS

Enclosed is the year 2002 revision of Assessors' Handbook Section 581 (AH 581), *Equipment Index and Percent Good Factors*, which was approved by the Board on November 28, 2001. This annual revision includes updates to the equipment index and percent good factors tables and examples in the text. Also included are valuation factors for computer equipment and semiconductor equipment. Additionally, the handbook contains guidelines for the valuation of biopharmaceutical industry equipment and fixtures.

For 2002, the commercial equipment index factors and the industrial equipment index factors in Tables 1 and 2 have been averaged into a single category of factors for each table. This change will promote statewide uniformity while providing value estimates within a reasonable band of value for the assessment of business property. Based on staff research and the decision by the Board, the text now states that the equipment index factors in Tables 1, 2, and 3 lead to the development of an estimate of reproduction cost. In previous years, the handbook has stated that the use of Tables 1, 2, and 3 result in an estimate of replacement cost new.

The AH 581 will be posted to the Board's Web site at [www.boe.ca.gov](http://www.boe.ca.gov). Copies are available on disk upon request to the Policy, Planning, and Standards Division at (916) 445-4982.

If you have any questions, please contact Mr. Lloyd Allred at (916) 324-7361.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property Taxes Department

DJG:gf  
Enclosure